

Message Text

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42

ACTION EB-07

INFO OCT-01 AF-06 EUR-12 EA-07 NEA-10 ISO-00 ABF-01 IGA-02

AGR-05 AID-05 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00

USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04

SIL-01 OMB-01 NSC-05 SS-15 STR-04 CEA-01 /111 W

----- 089221

R 231335Z FEB 76

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 330

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY AMMAN

AMEMBASSY BAGHDAD

AMEMBASSY BEIRUT

AMEMBASSY BONN

AMEMBASSY DAMSCUS

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY MOGADISCIO

AMEMBASSY MUSCAT

AMEMBASSY PARIS

AMEMBASSY RABAT

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

AMEMBASSY TRIPOLI

AMEMBASSY TUNIS

LIMITED OFFICIAL USE CAIRO 2371

E.O. 11652: NA

TAGS: EGEN, EFIN, ETRD, EG

SUBJECT: NEW PARALLEL MARKET RATE

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REF: CAIRO 2199

1. INCREASE IN INCENTIVE OR PARALLEL MARKET RATE REPORTED
REFTEL WENT INTO EFFECT FEBRUARY 21. AS OF THAT DATE, ALL
BANKS AND APPROPRIATE FINANCIAL INSTITUTIONS WERE PAYING
PT 64.5 TO THE DOLLAR VICE PT 57.
2. NEW RATE IS APPLICABLE TO ALL TRANSACTION IN
PARALLEL MARKET, INCLUDING TOURIST TRANSFERS, AS PREVIOUSLY
REPORTED. IT DOES NOT, HOWEVER, APPLY TO IMPORTS
AND EXPORTS IN "OWN CURRENCY PROGRAM," AS MAY HAVE
BEEN UNINTENTIONALLY IMPLIED PARA 2 REFTEL.
3. COMMENT: RAPIDITY OF GOE ACTION IN ESTABLISHING
NEW RATE AND IMPLEMENTING DECISION INDICATES BOTH THAT
STEP WAS PROBABLY IN PROCESS FOR CONSIDERABLE PERIOD
AND THAT, WHEN NECESSARY, EGYPTIAN FINANCIAL MACHINERY CAN MOVE
QUICKLY.
4. GIVEN RELATIVELY NARROW RANGE OF COMMODITIES WHICH
ARE IMPORTED AT PARALLEL RATE, PRINCIPAL IMPACT OF
HIGHER PRICES IS LIKELY TO FALL ON MIDDLE-CLASS CONSUMERS
AND UNFORTUNATELY, PRIVATE SECTOR. GOE HAS ANNOUNCED THAT
FUTURE ADJUSTMENTS IN INCENTIVE RATE CAN BE EXPECTED, FOLLOWING
A PERIOD DURING WHICH EFFECT OF RECENT CHANGE CAN BE STUDIED.
EILTS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN TRADE, FOREIGN EXCHANGE RATES
Control Number: n/a
Copy: SINGLE
Draft Date: 23 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
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Previous Handling Restrictions: n/a
Reference: 76 CAIRO 2199
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Review Comment: n/a
Review Content Flags:
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Review Exemptions: n/a
Review History: RELEASED <22 APR 2004 by greeneet>; APPROVED <06 JUL 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
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Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NEW PARALLEL MARKET RATE LIMITED OFFICIAL USE
TAGS: EGEN, EFIN, ETRD, EG
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006